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SUBJECT: NECHIRVAN BARZANI HAILS NEW AMITY WITH BAGHDAD

Classified By: Political Counselor Matt Tueller for reasons 1.4 (b,d).

- (C) Econ Minister-Counselor Charlie Ries, Pol/Mil Minister-Counselor Marcie Ries, and Special Assistant to the President for Iraq and Afghanistan Brett McGurk met on April 12 with Kurdistan Regional Government (KRG) Prime Minister Nechirvan Barzani. Barzani proclaimed a dramatic upswing in GOI-KRG relations following Kurdish support for Prime Minister Maliki in Basrah. Maliki took what Barzani considered more reasonable positions on hydrocarbon legislation and funding for the Peshmerga, previously the largest irritants in the relationship, and agreed to negotiate based on the February 2007 draft hydrocarbons law. Barzani also enumerated promising plans for recurring contacts with both the GOI and the Turkish government, representatives from the latter of which he plans to meet during his week in Baghdad. He expressed general optimism about ties to Ankara, pessimism about ties to Tehran, and support for ties with Washington under the Strategic Framework and Status-of-Forces Agreements. End summary.
- 12. (C) Barzani said the KRG-GOI relationship has improved demonstrably since the Basrah operation, largely on the strength of KRG President Massoud Barzani,s phone call in support of Maliki and offer to deploy Peshmerga anywhere the GOI needed them. In their meeting earlier that day, Maliki,s stance had moderated on their two primary points of contention) hydrocarbons legislation and funding for the Peshmerga; Barzani assessed that this time Maliki was &pragmatic8 whereas in December 2007) their last meeting) he was &arrogant.8 Nechirvan praised the Basrah operation effusively, saying such willingness to tackle militias is the kind of decisive action the Kurds have wanted from Maliki for months. He specified as particularly admirable Maliki,s characterization of the Jaysh al-Mahdi as the Shia equivalent of al-Qa,ida.
- (C) Most notably, Barzani claimed he and Maliki had agreed to proceed with oil law negotiations based on the February 2007 draft of the legislation "and the constitution." (The KRG Minister for Natural Resources Ashti Hawrami in London asserted the February 2007 draft was itself unconstitutional.) Barzani also laid out an encouraging calendar of GOI-KRG engagements beginning with an April 13 meeting between the GOI and KRG Oil Ministers (Hussein Shahristani and Ashti Hawrami, respectively). Barzani will reconvene with Maliki the following day before the Iraqi PM departs for Brussels, and said Maliki pledged to stop in Erbil on his return voyage to meet the elder Barzani. Massoud Barzani plans to visit Baghdad himself in the near future, although Nechirvan did not give a specific timeframe, and Nechirvan will return to Baghdad roughly every three months. Separately, the younger Barzani said Iraqi Finance Minister Bayan Jabr will accompany him to a signing ceremony in Dubai for a company buying \$1 billion in housing in the Kurdish region.
- 14. (C) Barzani plans to meet with Turkish officials on this Baghdad trip, probably advisors to the Turkish Prime

Minister Ahmet Davetoglu and Murat Ozcelik. Barzani said the Turks had offered to meet with him in Doha, Jordan, or Baghdad) he chose the latter) and he predicted he would receive an invitation to Ankara soon. He also noted Ozcelik met last month with former Iraqi Kurdish envoy to Ankara Safeen Dizayee, on the former, s visit to Dohuk province. More broadly, Barzani said Turkey, s friendship is crucial inasmuch as Turkey is the KRG,s top trading partner and the potential host of a lucrative pipeline for Iraqi oil and gas. He grumbled that Turkey expects much of KRG officials while avoiding talks with them and persists in an ultimately futile military approach to the PKK problem, but said on the whole he is optimistic about their bilateral future. Barzani pledged to continue KRG measures to contain the activities of the KGK. When Ries suggested that doing more would resonate well with the Turks, Barzani said he would not rule this out, especially in the context of a positive dialogue.

- 15. (C) On Iran, Barzani was much less sanguine. He said Iranian Qods Force commander Qasim Soleimani requested a meeting with either Massoud or Nechirvan Barzani to explain the Basrah situation in the same safehouse in which he met Iraqi President Talabani early this month, which the Kurdish leaders refused for two reasons) they deemed a meeting in a safehouse unsuitable to their stature, and a meeting with the Qods Force inappropriate in the immediate aftermath of the GOI,s fight against Iran-backed militants. Nechirvan quoted an adage of his uncle,s: &Turkey will offer you either honey or poison and you know which is which, but Iran is more dangerous) they offer you poisoned honey.8
- 16. (C) Barzani restated the Kurds, firm support for the SFA/SOFA. This would be a major conversation topic

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during Massoud Barzani,s Baghdad trip, since his uncle considers the issue too important to leave in the hands of Baghdad politicians. The elder Barzani, Talabani, and Vice President Adil Abd al-Mahdi signed a memorandum of understanding on the SFA earlier this month in Erbil, although Nechirvan did not offer details. McGurk stated our preference that the five top leaders) the Executive Council plus Massoud Barzani) sign the final document, with their five deputies (Muwafaq al-Rubaie, Humam Hammudi, Ayad Samaraie, Barham Salih, and Rowsch Shaways) handling much of the negotiating process; this proposal particularly pleased Barzani. CROCKER